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**Financing of the United Nations Integrated Mission in Timor-Leste**

# Financing of the United Nations Integrated Mission in Timor-Leste for the period from 25 August 2006 to 31 March 2007

## Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financing of the United Nations Integrated Mission in Timor-Leste for the period from 25 August 2006 to 31 March 2007 (A/61/519). During its consideration of the report, the Advisory Committee met with the representatives of the Secretary-General, who provided additional information.

2. The Advisory Committee recalls that the Security Council, in its resolution 1599 (2005), decided, inter alia, to establish the United Nations Office in Timor-Leste (UNOTIL) as a follow-on mission to the United Nations Mission of Support in Timor-Leste (UNMISET), which remained operational until 20 May 2006. Following the incidents of 28 and 29 April 2006, the Security Council, in its resolutions 1677 (2006), 1690 (2006) and 1703 (2006), extended the UNOTIL mandate until 20 June, 20 August and 25 August 2006, respectively. A multidisciplinary assessment mission was dispatched by the Secretary-General to Timor-Leste to develop recommendations on the future strengthened presence of the United Nations. In his report to the Security Council dated 8 August 2006 (S/2006/628), the Secretary-General indicated that, in conducting the assessment, the mission had consulted with a broad cross-section of Timorese and international stakeholders, international forces on the ground, representatives of international and regional bodies, donors and the diplomatic community; the United Nations Resident and Humanitarian Coordinator was also involved in the process. This coordination made it possible to draw on the institutional knowledge gained by the Organization from the prior presence in Timor-Leste of the United Nations country team and UNOTIL, as well as the work done by international and bilateral partners. On this basis, the Secretary-General presented his recommendations on the future role of the

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United Nations in Timor-Leste and the establishment of a multidimensional, integrated mission in Timor-Leste in that report.

3. In its resolution 1704 (2006), the Security Council decided to establish the United Nations Integrated Mission in Timor-Leste (UNMIT) for an initial period of six months, with the intention of renewing it for further periods; it also decided that the Mission would consist of an appropriate civilian component, including up to 1,608 police personnel and an initial component of up to 34 military liaison and staff officers. The Mission's mandate is set out in paragraph 4 of resolution 1704 (2006).

4. In the report under consideration, the Secretary-General indicates that the full budget for the period from 25 August 2006 to 30 June 2007 will be submitted to the General Assembly at its resumed sixty-first session, in view of the recent establishment of the Mission and the time required for the preparation of the results-based budgeting frameworks and determination of the full requirements for the 2006/07 period, as well as for their legislative review (A/61/519, para. 3). In this connection, it was confirmed to the Advisory Committee that the full budget would not be available before mid-February 2007. Pending the submission of the full budget, the Secretary-General is therefore requesting that the Assembly grant commitment authority with assessment in the amount of $172.5 million to cover the immediate cash, human and operational requirements of UNMIT for the period from 25 August 2006 to 31 March 2007, in accordance with the terms of resolution 49/233 A, section IV, paragraph 2 (A/61/519, para. 4). The proposed amount is inclusive of the commitment authority of $49,961,500 granted by the Advisory Committee on 8 September 2006 to meet the immediate and essential start-up requirements of the Mission.

5. As indicated above, however, the budget for the operation of the Mission for the period from 25 August 2006 to 30 June 2007 is to be presented to the Advisory Committee in February 2007 for submission to the General Assembly in March 2007 when the Mission will already have been in operation for almost eight months and just before its expected renewal by the Security Council (see para. 3 above). The proposed budget for the period from 1 July 2007 to 30 June 2008 would be presented shortly thereafter for submission to the General Assembly in May 2007.

6. **The Advisory Committee is well aware that in recent years, for a variety of reasons, the General Assembly has approved commitment authority with assessment in connection with the financing of a number of peacekeeping operations; however, the Committee has pointed out in the past that this represents a departure from good budget practice and discipline (see A/58/809, para. 6). The Committee has also pointed out that commitment authority, by its nature, is decided upon on an urgent basis for the start-up of a new mission or the expansion of an existing one (see Financial Regulations and Rules of the United Nations, regulation 4.6) when there is no time for the considered reasoning that goes into preparing a full programme budget and setting up an organizational structure. It has also cautioned the Secretariat not to present de facto budgets in connection with requests for commitment authority because the Committee should not be forced into a position in which it would, in essence, agree to a budget and all the decisions that go along with it without the necessary time and data for proper elaboration or consideration (A/60/870, para. 53).**

7. The Advisory Committee further recalls that the Secretary-General, in the reports leading to the adoption of resolution 49/233 A, which established the basis for the current commitment authority procedure, indicated that the "estimates for minimum funding required to procure equipment or services to begin the mission and to sustain it for three months could be regarded as the start-up costs" (see, for example A/48/945, para. 15). **Commitment authority should therefore constitute a short-term funding bridge mechanism pending the timely submission of fully detailed and justified budgets.**

8. **While the Advisory Committee has gone along with the assessed commitment authority procedure, the practice is becoming too routine. The Committee advocates a return to stricter adherence to proper budget procedure, whereby assessments are decided on the basis of a duly approved appropriation by the General Assembly after the consideration of a complete and fully justified budget submission.**

9. **In the opinion of the Advisory Committee, the foregoing is particularly relevant in the case of UNMIT. The Committee points out that the United Nations has been present in East Timor for over seven years and that it is thoroughly familiar with the situation, the relevant actors and local conditions; the United Nations Mission in East Timor was established in June 1999, followed by the United Nations Transitional Administration in East Timor in October 1999, UNMISET in May 2002 and UNOTIL in May 2005. The Secretary-General should therefore have been in a position to present a full budget in a more timely fashion.**

10. **Although a request for commitment authority is not supposed to be presented as a budget, the Advisory Committee notes that a number of budgetary details have been provided. The Committee points out that these details have been provided without the accompanying justification. The General Assembly is thus being requested to take cognizance of a structure and related resources without the necessary supporting explanation and justification. Moreover, given that almost eight months of the Mission's mandate will have been completed before the budget can be approved by the Assembly (see para. 5 above), the basic structure and resource requirements will have been established de facto without specific approval by the Assembly.**

11. **In the meantime, and pending the submission of a budget in February 2007, the Advisory Committee sees no other option but to recommend that the mechanism of commitment authority with assessment be utilized in this case. This consideration takes into account the prevailing circumstances with regard to UNMIT, especially as the Secretary-General will not present a budget until February 2007 and that there is a need for additional funds. The Committee trusts that future recourse to this mechanism will be confined to the limited use for which it was envisaged. The Committee trusts further that in the future, on the basis of its considerable and growing experience with peacekeeping budgets, the Secretariat will apply the budget discipline required for the timely submission of proper budgets for the financing of peacekeeping operations.**

12. **In the paragraphs below, the Advisory Committee makes a series of observations and recommendations with regard to the levels of commitment authority and assessment for the period from 25 August 2006 to 31 March 2007, as well as other matters. These should also be taken into account in the**

**preparation of the budget submission for UNMIT for the period from 25 August 2006 to 30 June 2007.**

13. The Secretary-General's report to the Security Council provides information on the envisaged structure of the mission (S/2006/628, paras. 112-137). The Advisory Committee notes that the Security Council, in paragraph 6 of its resolution 1704 (2006), requested the Secretary-General to conclude a status-of-forces agreement between the United Nations and the Government of Timor-Leste within 30 days of the adoption of that resolution. Upon enquiry, the Committee was informed that the agreement had been signed on 4 October 2006.

14. The Security Council has also requested the Secretary-General to review the arrangements to be established between UNMIT and the international security forces, having consulted all stakeholders, and to present his views no later than 25 October 2006, while further affirming that the Council will consider possible adjustments in the Mission structure, including the nature and size of the military component, taking into account those views (resolution 1704 (2006), para. 2). At the time of the Advisory Committee's consideration of the Secretary-General's request for commitment authority, the Security Council had not taken action in regard to the requested report. **An update, including with regard to possible adjustments, should therefore be given to the General Assembly.**

15. The Advisory Committee notes from the Secretary-General's report that the Mission's requirements for military and police personnel for the period from 25 August 2006 to 31 March 2007 are estimated at $38,024,500. The proposed resources would cover the costs related to a total of 1,642 military and police personnel as follows: 34 military liaison and staff officers projected to be deployed in October 2006; 1,048 United Nations police officers scheduled to be deployed (an average strength of 845 police officers for the period); and four formed police units, each comprising 140 police personnel, of which two were deployed in August 2006, while one more was planned to be deployed by October and the other by November 2006. The requirements for mission subsistence allowance reflect a 10 per cent and 5 per cent deployment factor for military liaison and staff officers and United Nations police officers, respectively. Upon enquiry, the Committee was provided with a proposed schedule of personnel deployment (see annex I).

16. Estimated requirements of $25,587,600 are indicated under civilian personnel for costs related to a proposed provisional civilian staffing component of 1,935 (480 international staff, 1,075 national staff and 380 United Nations Volunteers) (A/61/519, section II.B.2.A). The Advisory Committee notes that this includes six posts (5 international and 1 national) related to the Resident Oversight Office (A/61/519, para. 11). Upon enquiry, the Committee was informed that, based on actual incumbency, as at 31 August 2006, the total number of staff transferred from UNOTIL to UNMIT amounted to 334 (74 international staff, 225 national staff, including 19 National Officers, and 35 United Nations Volunteers). The Committee further notes that a delayed recruitment factor of 50 per cent has been applied to the costs for the additional international staff, and of 20 per cent in respect of the additional national staff and United Nations Volunteers.

17. **The Advisory Committee requests that the envisaged structure and staffing levels of the Mission, including the number and grade level of posts (particularly those at high levels) be carefully studied and justified in the budget submission, bearing in mind that missions of different dimensions, scope**

**of activities and components have different requirements that would be reflected in structures specifically tailored to the needs of each mission.**

18. The estimated requirements for operational costs amount to $108,916,500 (A/61/519, section II.A). The Advisory Committee notes that this includes resources of $2,052,200 under general temporary assistance. The resources are requested to cover 29 general temporary assistance positions, of which 22 are proposed to provide backstopping capacity at Headquarters in support of the deployment of UNMIT and 7 would integrate the Conduct and Discipline Team (A/61/519, paras. 5 and 27). Delayed recruitment factors of 40 per cent and 50 per cent have been applied to the international staffing costs at Headquarters and in UNMIT, respectively, while a 20 per cent factor is applied to the costs related to national staff positions of the Conduct and Discipline Team.

19. The 22 general temporary assistance positions requested in support of UNMIT at Headquarters are the following:

(a) Sixteen positions in the Department of Peacekeeping Operations:

(i) Seven P-3 positions in the Logistics Support Division for a logistics officer, an aviation officer, a transport officer, a contingent-owned equipment and property management support officer, an information technology officer, an engineering officer and a supply officer;

(ii) Nine positions for the Administrative Support Division, comprising a P-5 position for a senior human resources officer, three P-3 positions for human resources officers and three General Service (Other level) positions for human resources assistants (Personnel Management and Support Service); and one P-3 finance officer and one General Service (Other level) position for a finance assistant (Finance Management and Support Service);

(b) Six positions in the Department of Management:

(i) Two P-3 positions for the Office of Programme Planning, Budget and Accounts for an accountant (Accounts Division) and a finance officer (Peacekeeping Financing Division);

(ii) Three positions for the Procurement Service for two procurement officers (P-4 and P-3) and one procurement assistant (General Service, Other level);

(iii) One General Service (Other level) position for a medical assistant (Medical Services Division).

20. Upon enquiry, the Advisory Committee was informed that, as at 30 September 2006, in the Department of Management, of the 34 and 29 support account posts approved for 2006/07 in the Peacekeeping Financing Division and the Accounts Division, respectively, two posts were vacant in each; of the 34 support account posts approved in the Procurement Division, three were vacant at the time. Likewise, in the Department of Peacekeeping Operations, of the 167 and 171 support account posts approved in the Administrative Support Division and Logistics Support Division, respectively, 10 posts were vacant in each. Moreover, support account resources of $3,968,000 and $7,802,300 had been appropriated for general temporary assistance in the Department of Peacekeeping Operations and the Department of Management, respectively, for the period 2006/07. As at 30 October 2006, their expenditures amounted to $298,373 and $679,377, respectively.

21. **The Advisory Committee is of the opinion that the request for additional human resources at Headquarters should take into account the existing capacity of the support account, which was created to provide backstopping at Headquarters for peacekeeping operations. The Committee notes that existing vacancy rates and unutilized general temporary assistance resources in the support account allow an immediate response to additional needs. The Committee therefore recommends against the consideration of backstopping posts in the context of requirements for UNMIT. Instead, the need for additional backstopping capacity at Headquarters should be considered in the context of such requests as the Secretary-General may make under the support account, taking into account existing capacity and the vacancy situation.**

22. **The Advisory Committee recommends approval of the seven general temporary assistance positions proposed to integrate the Conduct and Discipline Team only (1 P-5, 2 P-4, 1 P-2, 1 Field Service, 1 National Officer and 1 General Service).**

23. The Advisory Committee notes that the proposed resources under operational costs also provide for the acquisition expenditures related to facilities and infrastructure ($18,305,000), vehicles and related equipment ($22,699,000), communications ($10,934,000) and information technology ($7,272,000). The Committee recalls that the Secretary-General provided information on the final disposition of assets of UNMISET (A/60/703). Upon enquiry, the Committee was informed that 4,717 items with a total value of $13,829,209 had been identified for transfer from UNOTIL to UNMIT.

24. The Advisory Committee requested information as to the funding provision made by United Nations agencies, funds and programmes present in Timor-Leste for 2006 and 2007 (see annex II). **The Committee notes that the funding provisions of several agencies have increased significantly for 2007 and recommends that the various existing areas of support provided to the Mission by the other country team partners and bilateral and multilateral partners be clearly identified in the context of the full budget submission.**

25. The proposed actions to be taken by the General Assembly in connection with the financing of UNMIT are contained in section IV of A/61/519. **The Advisory Committee recommends approval of the establishment of a special account for UNMIT as indicated in paragraph 41 (a) of that report. Taking into account its observations and recommendations in the paragraphs above, the Committee recommends that the General Assembly authorize the Secretary-General to enter into commitments for the establishment and maintenance of the Mission for the period from 25 August 2006 to 31 March 2007 in the amount of $170,221,100, inclusive of the amount of $49,961,500 previously authorized by the Committee. The Committee further recommends that the Assembly approve assessment, at this stage, of 50 per cent of the amount approved for commitment for the periods from 25 August 2006 to 25 February 2007 and from 26 February to 31 March 2007, subject to the decision of the Security Council to extend the mandate of the Mission beyond 25 February 2007. The Secretary-General could request a further assessment should the need arise.**

26. **The Advisory Committee points out that care should be taken to avoid any implication that the provision of resources in response to the request for commitment authority in any way implies approval for the establishment of**

**posts or the creation of new functions. The above recommendation for funding is therefore made without prejudice to any recommendations that it may make to the General Assembly when it considers the budget of UNMIT or any decision that the Assembly might take thereon with regard to budgetary and administrative matters, including but not limited to the administrative structure of the Mission, its staffing table and operational requirements.**

# Annex I

## Proposed deployment of personnel, revised for United Nations police and formed police units (31 August 2006 to 31 March 2007)

| | *Scheduled deployment* | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | *31 August 2006* | *30 September 2006* | *31 October 2006* | *30 November 2006* | *31 December 2006* | *31 January 2007* | *28 February 2007* | *31 March 2007* | *Average* |
| **Military and police personnel** | | | | | | | | | |
| Military observers | — | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 20 |
| Military contingents | — | — | — | — | — | — | — | — | — |
| United Nations police | 252 | 252 | 552 | 802 | 1 048 | 1 048 | 1 048 | 1 048 | 483 |
| Formed police units | 270 | 270 | 420 | 560 | 560 | 560 | 560 | 560 | 291 |
| **Total, military and police personnel** | **522** | **556** | **1 006** | **1 396** | **1 642** | **1 642** | **1 642** | **1 642** | **794** |
| International staff | 78 | 78 | 238 | 373 | 446 | 475 | 480 | 480 | 331 |
| National Officers | 3 | 3 | 26 | 50 | 61 | 62 | 62 | 62 | 41 |
| National General Service staff | 212 | 212 | 408 | 655 | 912 | 1 013 | 1 013 | 1 013 | 680 |
| United Nations Volunteers | 35 | 35 | 97 | 126 | 181 | 234 | 284 | 380 | 172 |
| Government-provided personnel | — | — | — | — | — | — | — | — | — |
| Civilian electoral observers | — | — | — | — | — | — | — | — | — |
| **Total, civilian personnel** | **328** | **328** | **769** | **1 204** | **1 600** | **1 784** | **1 839** | **1 935** | **1 223** |

# Annex II

## Funding provisions made by the United Nations agencies, funds and programmes present in Timor-Leste*

(Thousands of United States dollars)

| *Agency* | *2006* | *2007* |
|---|---|---|
| Food and Agriculture Organization of the United Nations | 2 000.0 | 4 000.0 |
| International Labour Organization | 3 100.0 | 4 100.0 |
| International Organization for Migration | 3 650.0 | 1 000.0 |
| Department of Economic and Social Affairs | 700.0 | 700.0 |
| United Nations Development Programme | 14 100.0 | 16 000.0 |
| United Nations Educational, Scientific and Cultural Organization[a] | 152.7 | 0.0 |
| United Nations Population Fund | 1 605.6 | 1 511.1 |
| Office of the United Nations High Commissioner for Refugees | 4 010.0 | 60.5 |
| United Nations Children's Fund | 11 944.0 | 8 544.0 |
| United Nations Industrial Development Organization | 0.0 | 1 250.0 |
| United Nations Development Fund for Women | 0.0 | 981.2 |
| World Food Programme | 9 000.0 | 14 000.0 |
| World Health Organization | 3 600.0 | 3 600.0 |
| **Total** | **53 862.3** | **53 515.6** |

[a] No resources are planned for 2007.

* Indicative and subject to change.